

ORIGINAL

MICHAEL J. GARCIA
United States Attorney for the
Southern District of New York
By: KATHLEEN A. ZEBROWSKI (KZ-7966)
Assistant United States Attorney
86 Chambers Street
New York, New York 10007
Telephone No.: (212) 637-2710
Fax Number : (212) 637-2717

FILED
2007 APR 23 PM 3:46
S.D. OF N.Y.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
UNITED STATES OF AMERICA,

Plaintiff,

- v. -

MARC W. STEIN,

Defendant.
-----X

JUDGE ROBINSON

:
:
: VERIFIED COMPLAINT

: 07 Civ
: **CV 3255**

Plaintiff United States of America (the "United States"), by and through its attorney, Michael J. Garcia, United States Attorney for the Southern District of New York, alleges upon information and belief that:

1. Jurisdiction is conferred on this Court pursuant to 28 U.S.C. § 1345.
2. Defendant Marc W. Stein (the "defendant") resides at 1178 Farmers Mills Road, Carmel, NY 10512, within the Southern District of New York.

FIRST CAUSE OF ACTION

3. Defendant applied for and received a student loan from the lender whose name is set out in the defendant's promissory note(s) evidencing the loan, copies of which are annexed hereto as Exhibit A and incorporated herein.

4. Defendant defaulted on said note(s) and owes the amount said note(s) and interest.

5. The United States is the assignee and present holder of said note(s).

6. The amount due and owing plaintiff by defendant on said note(s) is \$8,109.45, plus interest in the amount of \$3,879.59, as of April 11, 2007, with interest accruing thereafter at the rate of 8.25 percent per annum. A Certificate of Indebtedness from the United States Department of Education is annexed hereto as Exhibit B and incorporated herein.

SECOND CAUSE OF ACTION

7. Plaintiff repeats and realleges the allegations contained in paragraphs numbered one through six.

8. Plaintiff insured the aforementioned note(s) pursuant to Title IV of the Higher Education Act of 1965, Public Law 89-329.

9. The lender made an insurance claim on the United States for the amount of the lender's loss arising from the defendant's default on said note(s), which claim has been paid by the United States to the lender.

10. Plaintiff is entitled to be indemnified by defendant in the amount of \$11,989.04 as of April 11, 2007, with interest accruing thereafter at the rate of 8.25 percent per annum.

WHEREFORE, plaintiff demands judgment against defendant in the amount of \$11,989.04 plus interest as provided by law to the date of judgment and interest from the date of judgment at the legal rate until paid in full, together with costs and disbursements and for such other and further relief as this Court deems just and proper.

Dated: New York, New York

April ~~20~~, 2007

MICHAEL J. GARCIA
United States Attorney for the
Southern District of New York
Attorney for the Plaintiff

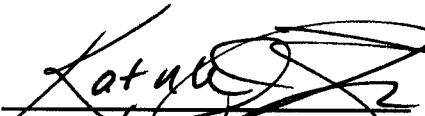
By: 

KATHLEEN A. ZEBROWSKI
Assistant United States Attorney
86 Chambers Street
New York, New York 10007
Telephone No.: (212) 637-2710
KZ-7966

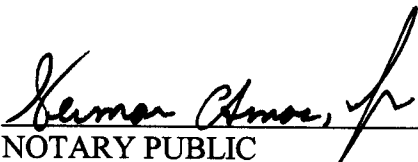
VERIFICATION

STATE OF NEW YORK)
COUNTY OF NEW YORK : ss.:
SOUTHERN DISTRICT OF NEW YORK)

KATHLEEN A. ZEBROWSKI, being duly sworn, deposes and says that she is an Assistant United States Attorney in the office of Michael J. Garcia, United States Attorney for the Southern District of New York, that she has read the foregoing complaint, and that the same is true and accurate to the best of her knowledge and belief.


KATHLEEN A. ZEBROWSKI
Assistant United States Attorney

Sworn to before me this 20th
day of April, 2007


NOTARY PUBLIC

HERMAN AMOS JR.
Notary Public, State of New York
No. 31-4961366
Qualified in New York County
Commission Expires Feb. 5, 2012

EXHIBIT A

Promissory Note

1178 Farmers Mill Rd
Carmel NY 10512
FEB 01 2001

Page 1 of 3

NY

Borrower's Name: Marc Stein
Borrower's Social Security Number: 132-68-7298

REPAYMENT PLAN SELECTION

Carefully read question #5, "What are my repayment plan options?," on the "Frequently Asked Questions" Page to understand the repayment plans available to you. Then, complete this section to select your repayment plan. Remember--

- All student loans must be repaid under the same repayment plan. Parent PLUS loans may be repaid under a different repayment plan.
- If you select the Income Contingent Repayment Plan, you must complete the "Repayment Plan Selection" AND "Income Contingent Repayment Plan Consent to Disclosure of Tax Information" forms. Both forms can be downloaded from the "Forms and Publications" Page. **Your selection cannot be processed without these forms.**
- **If you want to consolidate a defaulted student loan(s) and you have not made a satisfactory repayment arrangement with your current holder(s), you must select the Income Contingent Repayment Plan.**

Place an "X" in the box that corresponds to your repayment plan selection for each loan type. Note that Direct PLUS Consolidation Loans cannot be repaid under the Income Contingent Repayment Plan.

	Income Contingent	Standard	Extended	Graduated
STUDENT LOANS	Direct Subsidized and Unsubsidized Consolidation Loans:			
PARENT LOANS	Direct Plus Consolidation Loans:			

Income Contingent Standard Extended Graduated

X

N/A

PROMISSORY NOTE**Promise to Pay:**

I promise to pay to the U.S. Department of Education (ED) all sums (hereafter "loan" or "loans") disbursed under the terms of this Promissory Note (note) to discharge my prior loan obligations, plus interest, and other fees that may become due as provided in this note. If I fail to make payments on this note when due, I will also pay collection costs including but not limited to attorney's fees and court costs. If ED accepts my application, I understand that ED will on my behalf send funds to the holder(s) of the loan(s) selected for consolidation in order to pay off this loan(s). I further understand that the amount of this loan will equal the sum of the amount(s) that the holder(s) of the loan(s) verified as the payoff balance(s) on that loan(s) selected for consolidation. My signature on this note will serve as my authorization to pay off the balance(s) of the loan(s) selected for consolidation as provided by the holder(s) of such loan(s).

This amount may be more or less than the estimated total balance I have indicated in the Loan Information Section. Further, I understand that if any collection costs are owed on the loans selected for consolidation, these costs may be added to the principal balance of the consolidation loan.

I understand that this is a Promissory Note. I will not sign this note before reading it, including the text on the reverse side, even if I am advised not to read the note. I am entitled to an exact copy of this note and a statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree, to the terms and conditions of this note, including the Borrower Certification and Authorization printed on the reverse side and the Borrower's Rights and Responsibilities.

If consolidating jointly with my spouse, we agree to the same terms and conditions contained in the Borrower Certification and Authorization. In addition, we confirm that we are legally married to each other and understand and agree that we are and will continue to be held jointly and severally liable for the entire amount of the debt represented by the Federal Direct Consolidation Loan without regard to the amounts of our individual loan obligations that are consolidated and without regard to any change that may occur in our marital status. We understand that this means that one of us may be required to pay the entire amount due if the other is unable or refuses to pay. We further understand that the Federal Direct Consolidation Loan we are applying for will be cancelled only if both of us qualify for cancellation. We further understand that we may postpone repayment of the loan only if we provide ED with written requests that confirm Federal Direct Consolidation Loan Program deferment or forbearance eligibility for both of us at the same time.

I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.

MAR 08 2001

Signature of Borrower

Date

Signature of Spouse(if consolidating jointly)

Date

.../appentry.PrintConfirmServlet?Button_Pressed_Hid=continue&PrintConfirm_Mail_Hid=n&Pr1/12/01

JAN 31 2001

**Direct
Loans****Federal Direct Consolidation Loan-Verification Certificate**

VCT114

OMB No. 1840-0093
Form Approved
Exp. Date 1/31/2002

The borrower identified in Item 3 of this Verification Certificate (certificate) has requested consolidation of his or her education loan(s). The Federal Direct Consolidation Loan Program (Direct Consolidation Loan Program) enables borrowers to apply for a loan to consolidate outstanding education loans pursuant to Title IV of the Higher Education Act of 1980, as amended. Loans that may be consolidated are listed in the instructions on the back of this certificate. This certificate is used to verify the payoff amount of the borrower's outstanding education loan(s) estimated for consolidation. As part of the Federal Direct Consolidation Loan Application and Promissory Note, the borrower named in Item 3 has authorized your disclosure of information regarding the borrower's loan(s) listed in Item 3. Please confirm that the information provided is accurate, complete, and return within 10 business days of the date provided to the address given on the back of this certificate.

For information or assistance when completing this certificate, please call the Loan Origination Center's Consolidation Department at 1-800-857-7392.

01/16/2001

(1) Holder/Service Information 0000028241

(2) Institution and Address to which payoff amount should be sent
(If different from Item 1)

(3) Borrower Information

0001062731423

Holder/Service is: ☐ Lender ☐ Guarantor
(check only one) ☐ Servicer for Lender ☐ Servicer for Guarantor

Name NEW YORK STATE HIGHER EDUCATION SERVICES

Name

Name MARC STEIN

Street 99 WASHINGTON AVENUE

Street NYS HESC CASHIER IDENT

Social Security # 132-68-7298

City, State, Zip Code ALBANY NY 12256

City, State, Zip Code 99 WASHINGTON AVENUE

Street 1176 FARMERS MILLS RD.

Area Code/Telephone # (800)896-0891

Area Code/Telephone # (518) 402-1222

City, State, Zip Code CARMEL NY 10512

Area Code/Fax # (518) 402-1543

Area Code/Fax #

Area Code/Telephone # (845) 225-1925

(4) Certification Date

Contact's Name

132687298

See the reverse side for instructions.

(6) Acct ID	(7) Account Number	(8) Loan Type	(9) Interest Rate (%)	(10) Principal Balance Outstanding	(11) Interest thru Certification Date (Item 4)	(12) Fees and Late Charges	(13) Collection Costs	(14) Total Due	(15) First/Only Disbursement Date	(16) In-School Period (Months)	(17) ED School Code	(18) Anticipated/Actual Completion Date	(19) Defaulted (Yes/No)	(20) Satisfactory Payment Arrangement (Yes/No)	(21) Judgment (Yes/No)
#1	132687298	B	6.8	635.19	433.70	NO	125.94	8044.83	8/14/01	N/A	10520310	9/24/01	YES	N/D	NO
#2	132687298					NO				N/A			YES		NO
#3						NO				N/A			YES		NO
#4						NO				N/A			YES		NO
#5						NO				N/A			YES		NO
#6						NO				N/A			YES		NO

(18) Total Payoff Amount

8044.83

(21) Additional Comments

(22) Holder/Service Certification: I certify that: (1) To the best of my knowledge and belief, the information on this certificate is accurate and complete; (2) Each loan identified above is a legal, valid, and binding obligation of the borrower; (3) Each such loan was made and serviced in compliance with all applicable laws and regulations; and (4) In the case of Federal Student Loans (subsidized and unsubsidized (FSL), Federal PLUS Loans, Federal Supplemental Loans for Students (SLS), and Federal Loans to Assist Students (FLAS), and Federal Insured Student Loans (FISL), the insurance on each such loan is in full force and effect. The loan account(s) confirmed include the amount(s) necessary to discharge the loan(s). This certificate will be filed in the U.S. Department of Education in paying off the listed loan(s).

Signature of Authorized Official Ernest Lupe

Accountant Aide 518 402 1222

RECEIVED FEB 6 2001

MAR 08 2007

Borrower's Name Marc SteinBorrower's Social Security Number 132 - 68 - 7298**Section E: Repayment Plan Selection**

Carefully read the repayment plan information in "Direct Consolidation Loans" that accompanies this application and promissory note to understand your repayment plan options. Then, complete this section to select your repayment plan. Remember--

- All student loans must be repaid under the same repayment plan. Parent PLUS loans may be repaid under a different repayment plan.
- If you select the Income Contingent Repayment Plan, you must complete the "Repayment Plan Selection" and "Income Contingent Repayment Plan Consent to Disclosure of Tax Information" forms that accompany this application and promissory note. Your selection cannot be processed without these forms.
- If you want to consolidate a defaulted student loan(s) and you have not made a satisfactory repayment arrangement with your current holder(s), you must select the Income Contingent Repayment Plan.

31. Place an "X" in the box that corresponds to your repayment plan selection for each loan type. Note that Direct PLUS Consolidation Loans cannot be repaid under the Income Contingent Repayment Plan.

	Income Contingent	Standard	Extended	Graduated
STUDENT LOANS <i>Direct Subsidized and Unsubsidized Consolidation Loans</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PARENT LOANS <i>Direct PLUS Consolidation Loans</i>	<input type="checkbox"/> Not Available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section F: Promissory Note (Continued on reverse side)

To be completed and signed by borrower and spouse, if applicable.

Promise to Pay:

I promise to pay to the U.S. Department of Education (ED) all sums (hereafter "loan" or "loans") disbursed under the terms of this Promissory Note (note) to discharge my prior loan obligations, plus interest, and other fees that may become due as provided in this note. If I fail to make payments on this note when due, I will also pay collection costs including but not limited to attorney's fees and court costs. If ED accepts my application, I understand that ED will on my behalf send funds to the holder(s) of the loan(s) selected for consolidation in order to pay off this loan(s). I further understand that the amount of this loan will equal the sum of the amount(s) that the holder(s) of the loan(s) verified as the payoff balance(s) on that loan(s) selected for consolidation. My signature on this note will serve as my authorization to pay off the balance(s) of the loan(s) selected for consolidation as provided by the holder(s) of such loan(s).

This amount may be more or less than the estimated total balance I have indicated in Section D. Further, I understand that if any collection costs are owed on the loans selected for consolidation, these costs may be added to the principal balance of the consolidation loan.

I understand that this is a Promissory Note. I will not sign this note before reading it, including the text on the reverse side, even if I am

advised not to read the note. I am entitled to an exact copy of this note and a statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree, to the terms and conditions of this note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities.

If consolidating jointly with my spouse, we agree to the same terms and conditions contained in the Borrower Certification and Authorization. In addition, we confirm that we are legally married to each other and understand and agree that we are and will continue to be held jointly and severally liable for the entire amount of the debt represented by the Federal Direct Consolidation Loan without regard to the amounts of our individual loan obligations that are consolidated and without regard to any change that may occur in our marital status. We understand that this means that one of us may be required to pay the entire amount due if the other is unable or refuses to pay. We understand that the Federal Direct Consolidation Loan we are applying for will be cancelled only if both of us qualify for cancellation. We further understand that we may postpone repayment of the loan only if we provide ED with written requests that confirm Federal Direct Consolidation Loan Program deferment or forbearance eligibility for both of us at the same time.

I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.

32. Signature of Borrower

Marc W. SteinDate 2-27-07

Signature of Spouse (if consolidating jointly)

Date

William D. Ford Federal Direct Loan Program
Federal Direct Stafford/Ford Loans, Federal Direct Unsubsidized Stafford/Ford
Loans, Federal Direct PLUS Loans, Federal Direct Consolidation Loans

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OMB No. 1845-0014
Form Approved
Exp. Date 10/31/2002

Read the enclosed information carefully to understand your repayment options and then complete this form to select a repayment plan or to change your previous repayment plan. If you need help completing this form, call the Consolidation Department at the number shown in Section 5 on the back of this form. Return the completed form to the address shown in Section 5.

132 68 7298

		Standard	Extended	Graduated	Income Contingent
STUDENT LOANS	Direct Subsidized and Unsubsidized Loans; Direct Subsidized and Unsubsidized Consolidation Loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PARENT LOANS	Direct PLUS Loans; Direct PLUS Consolidation Loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Available

 - -

Spouse's Signature (if required) _____ Date _____

Direct Loans

**William D. Ford Federal Direct Loan Program
Income Contingent Repayment Plan
Consent to Disclosure of Tax Information**

OMB No. 1845-0017
Form Approved
Exp. Date 12/31/2002

I (We) authorize the Internal Revenue Service (IRS) to disclose certain tax return information (for the tax years listed below) which includes my (our) name(s), address(es), Social Security Number(s), filing status, tax year, and Adjusted Gross Income(s). This information will be disclosed to the U.S. Department of Education (ED) and the William D. Ford Federal Direct Loan (Direct Loan) program contractors and subcontractors for the sole purpose of determining the appropriate income contingent repayment amount on the Direct Loan Program loan(s) that is subject to income contingent repayment. ED's Direct Loan Program contractors and subcontractors may change. You may obtain the names of the current Direct Loan Program contractors and subcontractors by writing to ED at the address shown at the bottom of this page.

Request for Tax Years: 1999, 2000, 2001, 2002, and 2003.

See the back of this form for instructions.

MARC W. STEIN

(1) Borrower's (Taxpayer's) Name Printed as it appears on tax returns

132-68-7298

(2) Borrower's (Taxpayer's) Social Security Number

Mac W. L. ti

(3) Borrower's (Taxpayer's) Signature
Signature is valid for 60 days - see instructions on the back of the form.

02-03-2021 (MM-DD-YYYY)
Date

PLEASE NOTE: If you are married, your spouse is required to complete the following:

(4) Spouse's (Taxpayer's) Name Printed as it appears on tax returns

(5) Spouse's (Taxpayer's) Social Security Number

(6) Spouse's (Taxpayer's) Signature
Signature is valid for 60 days - see instructions on the back of the form.

_____ (MM-DD-YYYY)
Date

Return this form to: U.S. Department of Education
Consolidation Department
Loan Origination Center
P.O. Box 242800
Louisville, KY 40224-2800

FEB 09 2001

EXHIBIT B

U. S. DEPARTMENT OF EDUCATION
SAN FRANCISCO, CALIFORNIA

CERTIFICATE OF INDEBTEDNESS #1 OF 1

Marc W. Stein,
Marc Stein
1178 Farmers Mills Rd.
Carmel, NY 10512-4522

Account No: 132687298

I certify that Department of Education records show that the borrower named above is indebted to the United States in the amount stated below plus additional interest from 11/15/06.

On or about 02/27/01 and 03/02/01 the borrower executed a promissory note to secure a Direct Consolidation loan from the U.S. Department of Education. This loan was disbursed for \$8,109.45 on 03/26/01, at 8.25 percent interest per annum. The loan was made by the Department under the William D. Ford Federal Direct Loan Program under Title IV, Part D of the Higher Education Act of 1965, as amended, 20 U.S.C. 1087a et seq. (34 C.F.R. Part 685). The Department demanded payment according to the terms of the note, and the borrower defaulted on the obligation on 12/16/01. Pursuant to 34 C.F.R. § 685.202(b), a total of \$0.00 in unpaid interest was capitalized and added to the principal balance.

The Department collected \$150.00 from the borrower. The borrower now owes the United States the following:

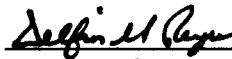
Principal:	\$8,109.45
Interest:	\$3,610.14
Penalty	\$0.00

Total debt as of 11/15/06: \$11,719.59

Interest accrues on the principal shown here at the rate of \$1.83 per day.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on 12/11/06


Loan Analyst

Delfin M. Reyes
Loan Analyst